

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**AUGUST 12, 1993, 10:00 AM EST**

The Members of the Department of Financial Institutions met at 10:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, August 12, 1993. Members present were Messrs. Mark Hasten, presiding, W. Paul Wolf, Anthony Zaleski, Jr., Norman Lowery, Daniel Leitch, Douglas Grant, and Mrs. Dee Godme. Also present from the Department were Director Charles W. Phillips, J. Philip Goddard, Legal Counsel; James M. Cooper, Supervisor, Mergers and Acquisitions; Kirk J. Schreiber, Bank Analyst; Eric Roberts, Bank Analyst; Mark K. Powell, Supervisor, Credit Unions; Mike Levine, Summer Intern; and Janice L. Davis, Administrative Assistant.

**I. EXECUTIVE SESSION**

A.) A continuing review of examination information on the following banks:

1. English State Bank, English
2. Gateway Bank, LaGrange

This information is confidential as provided in I.C. 28-1-2-30. This aspect of the Executive Session is authorized by I.C. 5-14-1-5.6(a)(6).

**II. PUBLIC SESSION**

A.) Attendance

B.) Date of next meeting: September 9, 1993, at **11:00 a.m. EST.**

C.) A motion was made for approval of the minutes of the meeting held June 10, 1993, by Mr. Wolf and was seconded by Mr. Zaleski. The minutes were unanimously approved.

D.) There was no action taken under Executive Session. All items were for informational purposes only.

E.) Re-organization of the Members as stipulated in I.C. 28-11-1-8.

1. Election of Vice-Chairman - Mr. Leitch made a motion to nominate Mr. Wolf as Vice Chairman, and was seconded by Mr. Lowery. The motion was unanimously approved.
2. Election of Secretary - Mrs. Godme made a motion to nominate J. Philip Goddard as Secretary and was seconded by Mr. Leitch. The motion was unanimously approved.
3. Election of Assistant Secretary - A motion was made by Mr. Wolf to nominate James M. Cooper as Assistant Secretary, and was seconded by Mr. Leitch. The motion was unanimously approved.
4. Any other organizational matters - There were no other organizational matters which needed to be addressed at this time.

E.) Correction of the March, 1993, Minutes to reflect the passage of the delegation of authority to the Director or Legal Counsel the authority to conduct hearings for license revocations. This item was passed during the March, 1993, Members Meeting but was not reflected in the minutes. A motion for approval was made by Mr. Lowery and seconded by Mr. Grant. The motion was unanimously approved, and will be made a part of the official minutes.

**DIVISION OF BANKS AND TRUST COMPANIES**

**A) Valley Bank, A Federal Savings Bank (Valley), Terre Haute, Vigo, County, Indiana**

Valley has submitted an application, Resolution, and Plan of Conversion to the Department for approval to convert from a federal stock savings bank into a state-chartered commercial bank pursuant to IC 28-1-21.6. The name of the proposed converted institution will be "Valley Bank." Valley is a wholly-owned subsidiary of CNB Bancshares, Inc., Evansville, Vanderburgh County, Indiana. Eric D. Roberts, Senior Bank Analyst, presented the application, resolution, and plan of conversion to the Members for approval to convert from a federal stock savings bank to a State chartered commercial bank, pursuant to I.C. 28-1-21.6. Mr. Roberts reported that CNB Bancshares was a \$2 billion dollar bank holding company and that the Department and the FDIC will be the bank's regulator after the conversion. Examiner Ed Skarbeck conducted a limited scope examination of Valley Bank, and Mr. Roberts summarized his findings. The institution had equity capital of \$23 million dollars and a tier one capital ratio of 7.69% which is considered adequate. It was the Department's opinion that the institution is safe, sound, has a satisfactory Community Reinvestment Act rating, and adequate asset quality. A motion for approval of the application was made by Mr. Grant and seconded by Mr. Leitch. The motion was unanimously approved. Chairman Mark Hasten abstained from voting.

**B) Peoples Trust Bank Company, Corydon, Harrison County, Indiana**

An application has been filed by the incorporators for approval of the formation of a financial institution which is to

be known as "Peoples Trust Bank Company," Corydon, Harrison County, Indiana. The staff of the Department recommends that the Members of the Board of the Department of Financial Institutions conduct a public hearing regarding the application for the proposed institution pursuant to the provisions of IC 28-11-5. The staff recommends a hearing date of September 9, 1993, at 1:30 P.M. Mr. James Cooper, Supervisor of Mergers and Acquisitions, Depository Institutions, informed the Members that an application was filed by incorporators for approval of a new bank to be known as Peoples Trust Bank Company or Corydon, Harrison County, Indiana. Mr. Cooper recommended that this matter be set for a public hearing regarding this application pursuant to I.C. 28-11-5, to be held in the Government Center South on September 9, 1993, at 1:30 p.m. The procedures for the hearing were explained and upon motion of Mr. Lowery and seconded by Mr. Zaleski this hearing date was established.

#### DIVISION OF CONSUMER CREDIT

- A) Consideration of the proposed findings and order concerning the hearings on pawnbroker and licensed lenders revocation. J. Philip Goddard, Counsel to the Department, issued the proposed findings of an order recommending the revocation of certain pawnbroker licenses and licensed lenders. Mr. Goddard, who served as an administrative law judge, reported that a public hearing was held on April 15th and 16th, 1993, at 9:00 a.m. in this office to consider any testimony and evidence as to why certain licenses should not be revoked for failure to comply with various provisions of the Uniform Consumer Credit Code and Title 28. No one appeared, either personally or by counsel, after having been notified of these public hearings, and as a result of evidence taken by Mr. Robert Haler and Mark Tarpey of the Consumer Credit Division, Mr. Goddard has recommended that these licenses be revoked. A motion was made by Mrs. Godme and seconded by Mr. Lowery, to issue a final order affirming the default order, as proposed by the administrative law judge. The motion was unanimously approved.

#### DIRECTOR'S COMMENTS AND REQUESTS

- A) Peoples Trust Company, Brookville, Franklin County, Indiana  
The bank has notified the Department that they have closed their branch banking office which was known as "The Circleville Office" located at U. S. 52 and State Road #3, Circleville, Rush County, Indiana. The office was closed on July 16, 1993 at 6:00 P.M. This is for informational purposes only.
- B) Peoples Trust Company, Brookville, Franklin County, Indiana  
The bank has notified the Department that they have closed their branch banking office which was known as "Versailles Office" located at 125 N. Washington Street, Versailles, Ripley County, Indiana. The office was closed on June 15, 1993 at 11:00 A.M. This is for informational purposes only.
- C) Union State Bank, Windfall, Tipton County, Indiana  
The bank has notified the Department that they have closed their branch banking office which was known as "Kempton Branch" located at 107 East North Railroad Street, Kempton, Tipton County, Indiana. The office was closed on June 30, 1993 at 4:30 P.M. This is for informational purposes only.
- D) Gibson County Bank, Hazelton, Gibson County, Indiana  
The bank has notified the Department that it has closed its branch banking office which was known as "Hazelton Branch" located at P. O. Box 138, Hazelton, Gibson County, Indiana. The office was closed on June 4, 1993 at 6:00 P.M. This is for informational purposes only.
- E) The Director advised the Members of actions taken pursuant to delegated authority which were as follows:

#### BANK AND TRUST DIVISION

- 1.) The Farmers & Merchants State Bank, Logansport, Cass County, Indiana  
The bank has requested permission to replace and retire the Increasing Rate Preferred Series I shares with the newly authorized Preferred Series II shares. Approval is recommended subject to conditions set forth by the Director of the Department. Conditions may be obtained by contacting the Department of Financial Institutions at (317) 232-3955. The request was approved by the Director under Delegated Authority on June 11, 1993.
- 2.) Citizens Bank, Mooresville, Morgan County, Indiana  
The bank submitted a request to establish a branch banking office to be located at the southwest corner of Highway 42 and Highway 142, Eminence, Morgan County, Indiana. The request was approved by the Director under Delegated Authority on June 16, 1993.
- 3.) Marengo State Bank, Marengo, Crawford County, Indiana  
The bank submitted a request for approval of a resolution authorizing the acquisition of 10,000 shares (par value \$10.00) of its 9% cumulative preferred stock pursuant to IC 28-13-3-3. The request was approved by the Director under Delegated Authority on June 16, 1993.

- 4.) Star Financial Bank, New Castle, Henry County, Indiana  
The bank submitted a request for permission to relocate a branch banking office FROM 5120 West Kilgore Avenue, Muncie, Delaware County, Indiana, TO 2701 West Jackson Street, Muncie, Delaware County, Indiana. The institution has six branches. The request was approved by the Director under Delegated Authority on July 9, 1993.
- 5.) Fifth Third Bank of Central Indiana, Indianapolis, Marion County, Indiana  
The bank submitted a request to establish a branch banking office to be located at 4040 East Southport Road, Indianapolis, Marion County, Indiana. The request was approved by the Director under Delegated Authority on July 9, 1993.
- 6.) Jackson County Bank, Seymour, Jackson County, Indiana  
The bank submitted a request to relocate a branch banking office FROM 645 Washington Street, Columbus, Bartholomew County, Indiana TO 3019 25th Street, Columbus, Bartholomew County, Indiana. The request was approved by the Director under Delegated Authority on July 9, 1993.
- 7.) Centier Bank, Whiting, Lake County, Indiana  
The bank submitted a request to establish a branch banking office to be located in the Pines Village Retirement Community located at 3303 Pines Village Circle, Valparaiso, Porter County, Indiana. The request was approved by the Director under Delegated Authority on July 9, 1993.

#### CREDIT UNION DIVISION

- 1.) Teachers Credit Union, South Bend, St. Joseph County, Indiana  
Requested approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union:  
  
  - First Baptist Church - North Liberty - 100 members
  - United Surveying, Inc. - Indpls. - 30 members
  - METPRO - a Division of AMFAB, Inc. - Elkhart - 20 members
  - Perry Uselman Agency - Elkhart - 1 member
  - Knox Family Practice, Inc. - Knox - 10 members
  - Robert L. Devetski, M.D. - South Bend - 3 members
  - Leisure Tech Corp. - South Bend - 20 members
  - Personal Estate Services, LTD. - South Bend - 7 members
  - Abacus Data Systems dba MicroAge/Abacus - Elkhart - 19 members
  - Prairie View Recycling and Disposal Facility - Wyatt - 15 members
  - Todd Transfer Co. - Indpls. - 2 members
  - Chizum Plumbing, Inc. - Mishawaka - 6 members
  - Teamsters Local Union #716 - Indpls. - 2,800 members
  - Edwardsburg United Pentacostal Church, Inc. - Edwardsburg - 90 members
  - Indianapolis Children's Choir - Indpls. - 3 members
  - Lock Joint Tube, Inc. - South Bend - 225 members
  - Bradley W. Stewart Ag/Northwestern Mutual Life - South Bend - 1 member
  - Marilaur Corp. - Walkerton - 18 members
  - Myers General Store - Goshen - 4 members
  - Profiles Hair Designs - Mishawaka - 7 members
  - Creation Windows - Elkhart - 440 members
  - Lunker's, Inc. - Edwardsburg - 60 members
  - Boardwalk Cafe - Elkhart - 10 members
  - Employees of Montgomery County - Crawfordsville - 160 members
  - Crawfordsville Community School Corporation - Crawfordsville - 300 members
  - Advanced Duct Cleaning Co. - South Bend - 2 members
  - Rainbow Int. Carpet Dyeing & Cleaning Co. - South Bend - 7 members
  - The Summit Group, Inc. - South Bend - 100 members
  - North American Capacitor Co. - Indpls. - 212 members

The request was approved by the Director under Delegated Authority on April 28, 1993.
- 2.) Nickle Plate Industrial Credit Union, Frankfort, Clinton County, Indiana  
Requested approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union:  
  
  - Price Log Homes - Frankfort - 6 members

The request was approved by the Director under Delegated Authority on April 28, 1993.
- 3.) Huntington County Farm Bureau Credit Union, Huntington, Huntington County, Indiana  
Requested approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union:

Huntington Herald Press - Huntington - 47 members

The request was approved by the Director under Delegated Authority on May 24, 1993.

- 4.) Kemba (Indianapolis) Credit Union, Indianapolis, Marion County, Indiana  
Submitted a request for approval of an application to establish a shared branch office at 9333 North Meridian Street, Indianapolis, Marion County, Indiana. The request was approved by the Director under Delegated Authority on June 7, 1993.
- 5.) Kemba (Indianapolis) Credit Union, Indianapolis, Marion County, Indiana  
Submitted a request for approval of an application to establish a shared branch office at 5800 W. Crawfordsville Road, Indianapolis, Marion County, Indiana. The request was approved by the Director under Delegated Authority on June 7, 1993.
- 6.) Teachers Credit Union, South Bend, St. Joseph County, Indiana  
Submitted a request for approval of an application to establish a shared branch office at 9333 North Meridian Street, Indianapolis, Marion County, Indiana. The request was approved by the Director under Delegated Authority on June 15, 1993.
- 7.) Huntington County Farm Bureau Credit Union, Huntington, Huntington County, Indiana  
Requested approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union:  
  
Byrd's Auto Sales, Inc. - Huntington - 8 members  
Art Chemical Products, Inc. - Huntington - 24 members  
INWEN, Inc./dba Wendy's Old Fashioned Hamburgers - Huntington - 32 members  
  
The request was approved by the Director under Delegated Authority on June 28, 1993.
- 8.) Teachers Credit Union, South Bend, St. Joseph County, Indiana  
Requested approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union:  
  
Mishawaka Standard Company - Bremen - 300 members  
Cassidy Restaurants, Inc. - Tipton - 450 members  
St. John Lutheran Church - Rochester - 350 members  
Goshen General Hospital - Goshen - 725 members  
Prince Industrial Cleaning, Inc. - Huntington - 2 members  
Crown Flooring Distributors, Inc. - Mishawaka - 12 members  
Indiana Carton Company, Inc. - Bremen - 59 members  
Creative Child Development Center - Indpls. - 20 members  
  
The request was approved by the Director under Delegated Authority on July 2, 1993.
- 9.) Perfect Circle Credit Union, Hagerstown, Wayne County, Indiana  
Requested approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union:  
  
James L. Harper, O.D. - Hagerstown - 3 members  
Stack's, Inc. - Hagerstown - 6 members  
  
The request was approved by the Director under Delegated Authority on August 3, 1993.

#### CONSUMER CREDIT DIVISION

- 1.) A request was submitted for a Lenders License by The Mortgage Specialists, Inc., Fort Wayne, Indiana. The license is to be located in Fort Wayne, Indiana. The business plans to make second mortgage loans in their name. The loans will then be sold to various lenders. The officers of the corporation are experienced in consumer lending. They are a licensed loan broker with the Secretary of State. The request was approved by the Director under Delegated Authority on June 6, 1993.
- 2.) A request was submitted for a Pawnbroker License by Stephie's Pawn, Seymour, Indiana, and will be located in Seymour. The appropriate bond has been posted. The request was approved by the Director under Delegated Authority on June 9, 1993.

**CERTIFICATION**

The Department certifies that the business discussed in the Executive Session was limited only to business which was set out in the department's Notice of Meeting and Agenda under the heading Executive Session.

There being no further business to come before the Members, the meeting was adjourned.

APPROVED:

ATTEST:

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Mark Hasten, Chairman

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J. Philip Goddard, Secretary